

Commuter Choice

The South Carolina Department of Social Services has, as part of its mission, to assist individuals in accessing education and skill training and becoming gainfully employed. One of the issues faced by new and existing employees is that of reliable transportation to and from work. As an agency, we work to develop partnerships with employers, employees, transit providers and others to address this issue. One unique opportunity is "Commuter Choice."

Commuter Choice is a nationwide partnership program of the Federal Transit Administration (FTA) and the Association for Commuter Transportation and can be valuable to both employers and employees. **Bottom line benefits include:**

- Tax savings and incentive opportunities
- Retain valued employees
- Reduce employee turnover and expenses
- Enhance productivity and work environment
- Improve employee morale and productivity
- Recognition as a community leader

Options and Tax Benefits

Employer-Paid Transportation Benefits

Employers can provide passes/vouchers of up to \$100* per month per employee for those commuting by transit or vanpool. Employers get a tax deduction for the expense and enjoy savings on payroll-related taxes. Employees get up to \$100* in a tax-free transportation benefit. This is the most used option.

Employee-Paid, Pre-Tax Transportation Benefits

Employers allow employees to use up to \$100* per month of pre-tax income to pay for transit or vanpool passes/vouchers. Employers save as these funds are not subject to payroll taxes. Employees save as these funds are not subject to payroll or income taxes.

Shared-Cost Transportation Benefits

Employers provide a portion of the cost of taking transit or vanpools as a benefit and employees use pre-tax income to pay for the balance of the benefit. Both employers and employees benefit from tax savings.

Parking Cash-Out

Employers that subsidize parking for employees offer a "cash out" option. Employees opt to: make no change and keep the parking space; give up the space and receive taxable cash instead; or, receive some taxable cash and/or a tax-free transit/vanpool benefit.

* 2002 rate. Subject to change by IRS.

Implementing Commuter Choice is not a difficult process.



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A "Commuter Choice Checklist" is available to learn more about what it takes to set up a program. Also available is a "Commuter Choice Toolbox" that includes surveys to determine employee interest and simple forms needed to establish and operate a Commuter Choice Program.

Employers who run their own vanpools may want to explore eligible IRS deductions as a business expense.

Employers can also work directly with a local transit provider in setting up this program. For more information on Commuter Choice go to www.CommuterChoice.com or www.fta.dot.gov.

Commuter Choice is a benefit that employees can use every day.
Satisfaction is immediate, and savings to both the employer and employee are visible right away.

Want to Save Money and Help Your Employees Get to Work?

Economic and Business Affairs
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Serving Children and Families

DSS



Commuter Choice

A Great Way to Work

**South Carolina
Department of Social Services**